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Re: ███████████ note of 7 December 1960 to you on Indirect Travel
Policy.

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1. In a note to you last week, ████████ stated that the Department of State has adopted the practice of reimbursing its employees for indirect travel, based upon the mode and class of transportation actually used, whereas our current practice, as well as the former practice of State, is to reimburse the employee at a rate not to exceed the "constructive cost" which would have been incurred utilizing first class accommodations by a direct route. He stated that, subject to your concurrence, we propose to recommend continuation of the present Agency practice.

2. A canvass of the Divisions and a sampling of travel orders indicates that our employees return from Stations abroad by indirect routes at the rate of about 117 annually. This is not a true picture of tourism or vacation travel by our employees since many more arrange stopovers at selected cities on first class tickets without additional cost to the Agency or to the employee. For example, returnees from most Stations in Eastern Europe, Africa, and the Near East may select an itinerary which includes a choice of Western European capitals.

3. Following is a tabulation by Operating Division of our best estimates of the volume of indirect travel and the potential annual savings under State's new practice.

Area Division	Estimated No. of Employees Traveling by Indirect Routes	Estimated Savings (Incl. Allowance for Dependents)
AF	1	$ 77.00
EE	19	5,600.00
FE	75	38,080.00
NE	6	2,880.00
WE	10	720.00
WH	6	1,620.00
TOTALS	117	$48,977.00

4. Travel from the Far East to the United States via Europe represents the greatest potential savings (about $38,000.00 annually) if State's practice is applied. This potential saving is based upon the assumption that indirect route travel now costs us as much as direct route travel (which is not always the case) and upon the assumption that an equal number of employees would travel by indirect route if we change our practice to conform to State's practice. Many employees traveling indirect routes incur transportation expense considerably lower than the allowable first class rate. This savings accrues to the Agency - not to the employee. For example, a recent returnee from ████ would have cost us $1,051.00 for direct first class transportation. He traveled tourist class (indirect) via ████ and Western Europe and we allowed him actual transportation cost which was $727.00 - a theoretical saving of $324.00 to the Agency. (Had he taken a more extensive indirect route home we would have allowed what he actually paid, by any class travel, up to $1,051.00.)

5. There is a significant financial difference to the employee, especially one with dependents, in traveling under our practice as contrasted to State's practice. In the case of an employee stationed at ████ he could now tour the Near East and Europe at no additional cost to the Agency and at only additional subsistence cost to him. Under State's practice, it could cost him up to several hundred dollars in additional transportation expense for himself and each member of his family.

6. We believe that many returnees from the Far East would choose to travel first class by direct route rather than pay from personal funds up to several hundred dollars per person for indirect route travel home. If this opinion of employee reaction is correct, the effect of adoption of State's practice would be a substantial reduction in vacation travel abroad by our employees, but not necessarily a savings to the Agency. It seems likely that most employees who forego indirect route travel would elect to use first class accommodations when traveling on a direct route at Agency expense.

7. We believe the privilege of direct route stopovers and indirect route travel, at no additional expense to the Agency, is highly valued by employees generally. We recommend continuation of our present practice.

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